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OFFICE OF THE CHANCELLOR

March
22
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Mr. Leon Panetta
Director
Office of Management and Budget
Old Executive Office Building
Washington, D. C. 20503

Dear Mr. Panetta:

It was a pleasure meeting you on your recent visit to Houston and having an opportunity to discuss with you issues of public interest. Your presentation was lucid, rational, and instructive. It is reassuring to hear someone in public office speak so candidly and intelligently.

You kindly asked me to express my thoughts on health reform. I regret the delay in responding, but I have been traveling to meet speaking engagements and only recently have had an opportunity to write you.

I have had a longstanding interest in a national health policy that would advance medical science, improve standards of medical care, increase the efficiency of health-care delivery, and provide medical care for all our people. Although this may seem platitudinous, the fact remains that these objectives would be readily embraced by most people. Realistically, however, I have serious doubts that implementation of such a national health policy can be achieved overnight. I would, therefore, be inclined to recommend certain steps that can be taken incrementally. Accordingly, I would like to address certain considerations that could lead to the achievement of some of these goals:

- (1) Establishment of a national network of Medical Complexes and Centers of Excellence. In general, these would consist of university medical schools, hospitals, and other health-care and research agencies and institutions working in concert. They should be provided with all the resources, facilities, and personnel essential to conducting the most sophisticated diagnostic and therapeutic procedures, modern biomedical research, and educational activities. To a certain extent, these Medical Complexes and Centers of Excellence already exist (as exemplified by the Mayo Clinic, the Massachusetts General Hospital, the Johns Hopkins Hospital, and our own Texas Medical Center). Indeed, they, along with the development of the National Institutes of Health, provide the basis for the U. S. A. becoming the world leader in medical innovation, education, and biomedical research. Unfortunately, however, they are having increasing financial difficulties, as illustrated in the article recently published in the Boston Globe (Attachment 1).

There are a number of reasons to support this concept. First is the fact that they provide the basis for advancing and maintaining quality in patient care, medical education, and research. Any recommendation that would erode or reduce these capabilities, with an eye solely to reducing costs, would be the greatest folly that could be committed, and it is the patient, ultimately, who will be the victim. Accordingly, I would strongly recommend that every effort be made to preserve, support, and expand these Centers of Excellence.

- (2) Considerable savings and efficiency in medical care would ensue from funneling to these regional Medical Complexes and Centers of Excellence most of the highly specialized forms of diagnostic and therapeutic procedures, such as various highly technical imaging procedures, cardiac catheterization, open-heart surgery, joint replacement, organ transplantation, and the like. With some additional financing, most of these Centers could readily expand their patient volume, thus concentrating in this regional network of Centers these costly procedures. This would greatly reduce the overall cost of these specialized diagnostic and therapeutic procedures and, at the same time, provide higher standards of medical care. The present system, permitting small community hospitals, for example, to perform two or three cases of coronary bypass surgery per week, is not only inefficient use of costly resources and personnel, but also tends to compromise quality care.
- (3) Such a national network of regional Centers of Excellence, by means of a collaborative and coordinated effort, can perform clinical investigative studies that may lead to a more rapid determination of the efficacy of certain methods of diagnosis and therapy (so-called outcome studies). The value of such collaborative efforts has been well demonstrated by the Veterans Administration Hospitals.

As you may observe from the enclosed, I have had a longstanding interest in the Centers of Excellence concept (Attachment 2). It received considerable impetus from the Report of President Johnson's Commission on Heart Disease, Cancer, and Stroke, which I had the privilege of chairing (Attachment 3).

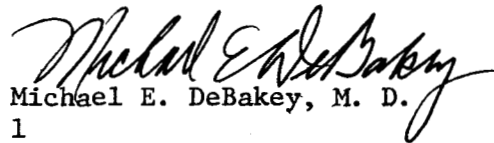
- (4) Finally, these Centers of Excellence can extend their medical expertise through the concept and practice of Telemedicine. By means of these interactive audio-video links, medical diagnosis, consultations, and education can be provided by these Centers of Excellence to surrounding regional communities lacking these resources and personnel. This may also be the most effective way of providing medical care to rural and remote areas of the country, where few or no physicians are available. By Telemedicine, for example, a small clinic in a rural area with only a nurse or P. A. (professional assistant) can provide good medical care. It is also a means of providing continuing medical education far more efficiently than is currently being done.

There are a number of other issues that need serious consideration, such as increased costs, estimated to be about 25 billion dollars per year, resulting from unnecessary tests and procedures associated with defensive medicine and

legal liability, reducing the administrative burdens in the practice of medicine, and greater use of computerized mechanisms. I am sure that these, along with other issues, are being addressed by the President's Task Force on Health System Reform.

I hope that some of my concepts described above may be considered by the Task Force. I would be pleased to help in any way that I can in this important endeavor. My warmest good wishes.

Sincerely,

A handwritten signature in cursive script, reading "Michael E. DeBakey". The signature is written in dark ink and is positioned above the printed name and title.

Michael E. DeBakey, M. D.